

## **Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of Private Wealth Consultants Ltd. If you have any questions about the contents of this brochure, please contact us at 419-842-0334 or [ShamsAfzal@privatewealthconsultants.com](mailto:ShamsAfzal@privatewealthconsultants.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Private Wealth Consultants Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 112602.

## **Item 2     Material Changes**

The material changes in this brochure from the last annual updating amendment of Private Wealth Consultants LTD, on March 2, 2017 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- Private Wealth Consultants Ltd. has updated Item 9 to disclose the firm's disciplinary information.

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### **Item 4 Advisory Business**

Private Wealth Consultants Ltd. is a SEC-registered investment adviser with its principal place of business located in Ohio. Private Wealth Consultants Ltd. began conducting business in 1997.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Gary Lee Rathbun, CEO

Private Wealth Consultants Ltd. offers the following advisory services to our clients:

**INVESTMENT SUPERVISORY SERVICES ("ISS")  
INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Individual stocks, preferred stocks, bonds, exchange traded funds (ETF), master limited partnerships, real estate investment trusts (REIT), separately managed accounts, private equities, direct participation programs (DPP), exchange traded notes
- Securities traded over-the-counter
- Foreign issuers
- Certificates of deposit
- Municipal securities
- Variable life insurance

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be used when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio, and if necessary, rebalance the portfolio on as needed, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- individual stocks
- preferred stocks
- bonds
- exchange traded funds (ETF)
- master limited partnerships

- real estate investment trusts (REIT)
- separately managed accounts
- private equities and alternative investments
- direct participation programs (DPP)
- exchange traded notes
- securities traded over-the-counter
- foreign issuers
- certificates of deposit
- municipal securities
- variable life insurance
- variable annuities
- mutual fund shares
- United States governmental securities
- options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be used when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **FINANCIAL PLANNING**

We may provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for

past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, and liability.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, and asset protection plans.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or investment advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## SEMINARS

PWC conducts seminars from time to time that are informational in nature and discusses topics of broad interest to clients and prospects alike. PWC does not charge an additional fee for seminars

## AMOUNT OF MANAGED ASSETS

As of 12/31/2016 we were actively managing \$213,618,092. Of that amount, \$ 163,039,848 of client's assets on a discretionary basis plus \$ 50,578,244 of client's assets on a non-discretionary basis.

### Item 5 Fees and Compensation

#### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 1.00% to 1.25%.

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
up to \$500,000	1.25%
\$500,001 to \$5,000,000	1.00%

There is no minimum amount of assets under management required for this service.

**Limited Negotiability of Advisory Fees:** Although Private Wealth Consultants Ltd. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.



## PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and generally range from 1.00% to 1.25%.

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
up to \$500,000	1.25%
\$500,001 to \$5,000,000	1.00%

***Limited Negotiability of Advisory Fees:*** Although Private Wealth Consultants Ltd. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## FINANCIAL PLANNING FEES

Private Wealth Consultants Ltd.'s Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, at \$500 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage

these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client may terminate the agreement without penalty within five (5) business days after the date when all parties have signed the agreement. After the (5) business day period, either party may terminate the agreement upon 30 days written notice to the other. At that point, any unearned portion of pre-paid advisory fees will be refunded to the client within 60 days of the receipt of that notice. Any unpaid portion of earned advisory fees shall be promptly paid by the client upon notification. Service, administrative and transaction fees are deemed earned when paid and are not refundable. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Private Wealth Consultants Ltd. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

We may also provide financial and/or business consultations with outside vendors. We may receive a fee in conjunction with these consultations.

**ERISA Accounts:** Private Wealth Consultants Ltd. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Private Wealth Consultants Ltd. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Private Wealth Consultants Ltd.'s advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6      Performance-Based Fees and Side-By-Side Management**

Private Wealth Consultants Ltd. does not charge performance-based fees.

## Item 7 Types of Clients

Private Wealth Consultants Ltd. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Trusts
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This

presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Margin transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use "cash secured puts", in which we sell an option to purchase a security in the future, with available cash. In this strategy, you receive a fee for making the option available and the person purchasing the option has the right to sell the security to you at an agreed-upon price

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of cash secured puts is that if the stock declines significantly below the strike price by expiration, on assignment the investor may be obligated to purchase shares well above their current price level.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We may ask you to fill out a risk tolerance questionnaire to help us understand your tolerance for risk. This will assist us in creating an investment policy statement suited to your situation.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

From July 2010 till June 2014, Gary Lee Rathbun and his partner Douglas Scott Miller participated in the sale of investments in six related limited liability companies (the LLCs) to clients of their registered investment adviser, Private Wealth Consultants, LTD. Although Mr. Rathbun and Mr. Miller disclosed their ownership and operation of Private Wealth Consultants, LTD to Triad, they failed to provide written notice of their participation in these sales of private securities investment to the broker-dealer. They also made investments, either directly or on behalf of family members in some of the same LLCs and were paid consulting fees for performing due diligence on the businesses that were part of the investments, without providing written disclosure to Triad. The lack of written notice violated NASD Rules 3030 and 3040 and FINRA Rules 3270 and 2010. Without admitting or denying the findings, Mr. Rathbun and Mr. Miller signed an Acceptance, Waiver & Consent which has been accepted by FINRA.

The Michigan Department of Licensing & Regulatory Affairs (LARA) has revoked Doug Miller's investment adviser representative license and levied a fine of \$20k. The LARA Administrator, however, disregarded aspects of the proposal by the Hearing Judge that charges of unethical conduct were not proven during the fact-finding process and reintroduced them as justification for revocation of his MI license. Due to the failure to either consider the findings of facts by the sole Michigan factfinder or the public interest of the Michigan public, the decision will be appealed and the Court will be asked to put the revocation and fine on hold. The basis of the LARA inquiry is the FINRA AWC that Doug Miller signed and disclosed in 2016.

## **Item 10 Other Financial Industry Activities and Affiliations**

Private Wealth Consultants Ltd. enters into agreements with other individuals who manage investments we may suggest to our clients. In such situations, we receive separate compensation or monitoring fees from those individuals, at our standard consulting rate of \$500/hour.

While Private Wealth Consultants Ltd. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Private Wealth Consultants Ltd. remits its advisory fees to Douglas S Miller Company (d/b/a DSM Co.), an S Corp owned 100% by Douglas S. Miller, Executive Vice President of Private Wealth Consultants Ltd. The only activities of DSM Co. are the collection of fees from Private Wealth Consultants Ltd. and, when applicable, collection of life insurance commissions.

Monitoring fees are collected by MDM, Ltd, owned by Douglas S. Miller and one other partner.

You should be aware that the receipt of additional compensation by Private Wealth Consultants Ltd. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Private Wealth Consultants Ltd. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory/non-advisory clients in addition to our firm's advisory fees;
- we disclose that you are not obligated to purchase recommended investment product from our employees or affiliated companies.
- we collect, maintain and document accurate, complete and relevant background information, including financial goals, objectives and risk tolerance on you;
- our firm's management conducts regular reviews of each of your accounts to verify that all recommendations made to you are suitable to your needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.



## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Private Wealth Consultants Ltd. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Private Wealth Consultants Ltd.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [ShamsAfzal@privatewealthconsultants.com](mailto:ShamsAfzal@privatewealthconsultants.com), or by calling us at 419-842-0334.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to you.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to you, we have established the following policies and procedures for implementing our firm's Code of Ethics,

to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any initial public offering (IPO) or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and/or licensed as an insurance agent of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 Brokerage Practices

Private Wealth Consultants Ltd. will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Private Wealth Consultants Ltd. in providing investment management services to clients. Private Wealth Consultants Ltd. may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Private Wealth Consultants Ltd. may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Private Wealth Consultants Ltd. and, indirectly, to Private Wealth Consultants Ltd.'s clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Private Wealth Consultants Ltd. does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Private Wealth Consultants Ltd. may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Private Wealth Consultants Ltd. determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Private Wealth Consultants Ltd. makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Private Wealth Consultants Ltd. uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Private Wealth Consultants Ltd. does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Private Wealth Consultants Ltd. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Private Wealth Consultants Ltd. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Private Wealth Consultants Ltd.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Private Wealth Consultants Ltd., or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Private Wealth Consultants Ltd. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Private Wealth Consultants Ltd.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Private Wealth Consultants Ltd.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another. However, in the case when a partial order fill is too small to be allocated across all the accounts that need them, a random sample based on a random number generator in Excel is used to allocate to a smaller cross section of accounts.

Private Wealth Consultants Ltd. participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Private Wealth Consultants Ltd. receives some benefits from TD Ameritrade through our participation in the program.

Private Wealth Consultants Ltd. participates in TD Ameritrade's Institutional customer program and we may recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Private Wealth Consultants Ltd. by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit Private Wealth Consultants Ltd. but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Private Wealth Consultants Ltd. through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Private Wealth Consultants Ltd.

or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

Private Wealth Consultants Ltd. participates in the institutional customer program offered by Scottrade Advisor Services. Scottrade is a member SIPC and FINRA member. Scottrade Advisor Services offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Private Wealth Consultants Ltd. receives some benefits from Scottrade through our participation in the program.

Scottrade Advisor Services offers products and services that assist us in managing our clients' accounts which may include software and other technology that provides access to clients' trade confirmations and statements, facilitates trade executions, provide research, pricing and market data, and facilitate payment of advisory fees from clients' accounts.

Some of the products and services made available by Scottrade may benefit Private Wealth Consultants Ltd. but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at Scottrade. Clients should be aware, however, that the receipt of economic benefits by Private Wealth Consultants Ltd. or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of Scottrade for custody and brokerage services.

Private Wealth Consultants Ltd. also uses other platforms for client accounts such as IRA Services Trust Company & Millennium Trust Company.

IRA Services Trust Company is an authorized custodians of self-directed retirement accounts. Account holders are permitted to invest in alternative assets such as real estate, precious metals, partnerships, limited liability companies, private stock, promissory notes and other alternative investments.

Millennium Trust Company is an authorized custodian of self-directed retirement accounts, automatic rollover, employer-sponsored retirement accounts, and private fund custody accounts. Account holders are permitted to invest in alternative assets such as real estate, precious metals, partnerships, limited liability companies, private stock, promissory notes and other alternative investments.

PENSCO is the leading alternative asset custodian, with more than two decades of expertise in holding private equity, real estate, notes, and other non-exchange traded assets. As a self-directed IRA custodian, PENSCO is responsible for facilitating the initial investment and administering the assets in our clients' accounts over the course of the assets lifetime. PENSCO manages the extensive recordkeeping required by the IRS and handle the reporting of contribution, distribution and investment activity within the account, including quarterly reports, processing of annual asset valuations and other documentation.

Some of these products or services may assist us in managing and administering client accounts, including accounts not maintained at IRA Services Trust, Millennium Trust Company and PENSCO Trust Company. Clients should be aware, however, that the receipt of economic benefits by Private Wealth Consultants Ltd. or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of for custody and brokerage services.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed as needed. Accounts are reviewed in the context of each client's stated investment objectives, guidelines market conditions and political or economic environment.

These accounts are reviewed by the Principals of Private Wealth Consultants.

### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed as needed. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by the Principals of Private Wealth Consultants.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## **Item 14    Client Referrals and Other Compensation**

It is Private Wealth Consultants Ltd.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Private Wealth Consultants Ltd.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15    Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to

send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a consulting agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We will, however, assist you with any questions you may have regarding how to vote your proxy.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts or is deemed to have custody, we are also required to disclose any financial condition that is reasonably likely



to impair our ability to meet our contractual obligations. Private Wealth Consultants Ltd. has no additional financial circumstances to report.

Private Wealth Consultants Ltd. has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Gary L. Rathbun  
12300 County Road 16  
Wauseon, OH 43567  
419-452-7796

Private Wealth Consultants Ltd.  
6591 W. Central Ave.  
Suite 108  
Toledo, OH 43617

09/12/2017

This brochure supplement provides information about Gary L. Rathbun that supplements the Private Wealth Consultants Ltd. brochure. You should have received a copy of that brochure. Please contact Shams Afzal at 419-842-0334 if you did not receive Private Wealth Consultants Ltd.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Gary L. Rathbun is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Gary L. Rathbun      **Born:** 1956

### **Education**

- Adrian College; None, Political Science; 1975 - 1978
- The American College; MSFS, Finance; 2000

### **Business Experience**

- Private Wealth Consultants Ltd; CEO; from 1996 to Present
- Triad Advisors: Registered Representative; from 2009 to 2014
- Mutual Service Corp; Registered Representative; from 1999 to 2007

### **Designations**

- Chartered Life Underwriter (CLU); 2003

To obtain a Chartered Life Underwriter (CLU) designation a person must have a minimum of 3 years full time business experience within the last 5 years. You must complete 6 core and 2 elective courses and pass a final proctored exam for each course.

To maintain this designation, you must complete 30 hours of continuing education every 2 years and sign and adhere to a Code of Ethics.

- Chartered Financial Consultant (ChFC); 2003

To obtain a Chartered Financial Consultant (ChFC) designation a person must have a minimum of 3 years full time business experience within the last 5 years. You must complete 6 core and 2 elective courses and pass a final proctored exam for each course.

To maintain this designation, you must complete 30 hours of continuing education every 2 years and sign and adhere to a Code of Ethics.

- Masters of Science in Financial Services (MSFS); 2000

The Masters of Science in Financial Services (MSFS) designation is an accredited masters degree in advanced estate and financial planning.

To obtain this degree you must complete 10 required graduate courses and 2 elective courses in advanced financial planning at an accredited college or university.

### **Item 3 Disciplinary Information**

From July 2010 till June 2014, Gary Lee Rathbun and his partner Douglas Scott Miller participated in the sale of investments in six related limited liability companies (the LLCs) to clients of their registered investment adviser, Private Wealth Consultants, LTD. Although Mr. Rathbun and Mr. Miller disclosed their ownership and operation of Private Wealth Consultants, LTD to Triad, they failed to provide written notice of their participation in these sales of private securities investment to the broker-dealer. They also made investments, either directly or on behalf of family members in some of the same LLCs and were paid consulting fees for performing due diligence on the businesses that were part of the investments, without providing written disclosure to Triad. The lack of written notice violated NASD Rules 3030 and 3040 and FINRA Rules 3270 and 2010. Without admitting or denying the findings, Mr. Rathbun and Mr. Miller signed an Acceptance, Waiver & Consent which has been accepted by FINRA.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

Gary L. Rathbun is also engaged in the following investment-related activities:

#### **Insurance company or agency**

Gary L. Rathbun is licensed with various insurance companies. In this separate capacity, he can sell different products such as life insurance, annuities, disability, long term care and health insurance for which he will receive separate, yet customary compensation.

Gary L. Rathbun and/or PWC as a limited liability company may be involved in outside business activities independent of previously mentioned services. These outside business activities could include providing due diligence and ongoing monitoring fees as compensation plus expenses for services provided. Additionally, PWC or its principals/representatives may own in whole or in part an entity that has no connection or affiliation with PWC.

Gary L. Rathbun and/or PWC does continually monitor and provide due diligence for alternative private equity and/or secured debenture investments recommended to our clients and does receive an hourly or project fee plus expenses for this service.

In his capacity as a licensed insurance representative, he will receive separate, yet customary, commissions from individual insurance agencies.

While he endeavors at all times to put the interest of the clients first as part of his fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations.

The following steps are taken to address this conflict:

- disclose to clients the existence of all material conflicts of interest, including the potential to earn compensation from advisory clients in addition to advisory fees;

- disclose to clients that they are not obligated to purchase recommended investment products from him or affiliated companies;
- collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- require that he seek prior approval of any outside employment activity so that it is ensured that any conflicts of interests in such activities are properly addressed.

#### **B. Non Investment-Related Activities**

Gary L. Rathbun is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

#### **Item 5 Additional Compensation**

Gary L. Rathbun does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Gary L. Rathbun

**Title:** CEO

**Phone Number:** 419-842-0334

Gary L. Rathbun, CEO and Douglas S. Miller, President, have regular meetings to review clients' portfolios and investment recommendations. This is an ongoing process as client's circumstances change as well as changes in the market condition.

**Part 2B of Form ADV: *Brochure Supplement***

Douglas S Miller  
20 Back Bay Rd. Bowling  
Green, OH 43402  
419-823-3224

Private Wealth Consultants Ltd.  
6591 W. Central Ave.  
Suite 108  
Toledo, OH 43617

09/12/2017

This brochure supplement provides information about Douglas S Miller that supplements the Private Wealth Consultants Ltd. brochure. You should have received a copy of that brochure. Please contact Shams Afzal at 419-842-0334 if you did not receive Private Wealth Consultants Ltd.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Douglas S Miller is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Douglas S Miller      **Born:** 1963

### **Education**

- Bowling Green State University; BSBA, Business; 1985

### **Business Experience**

- Private Wealth Consultants Ltd.; President; from 2015 to Present
- Private Wealth Consultants Ltd.; Executive Vice President; from 2009 to 2015
- Douglas S. Miller & Company; President; from 1998 to Present
- Triad Advisors; Registered Representative; from 2005 to 2014
- Strategic Investment Advisors LLC; Partner; from 2005 to 2009

### **Designations**

Douglas S Miller has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Life Underwriter (CLU); 2003

To obtain a Chartered Life Underwriter (CLU) designation a person must have a minimum of 3 years full time business experience within the last 5 years. You must complete 6 core and 2 elective courses and pass a final proctored exam for each course.

To maintain this designation, you must complete 30 hours of continuing education every 2 years and sign and adhere to a Code of Ethics.

- Chartered Financial Consultant (ChFC); 2003

To obtain a Chartered Financial Consultant (ChFC) designation a person must have a minimum of 3 years full time business experience within the last 5 years. You must complete 6 core and 2 elective courses and pass a final proctored exam for each course.

To maintain this designation, you must complete 30 hours of continuing education every 2 years and sign and adhere to a Code of Ethics.



### **Item 3 Disciplinary Information**

From July 2010 till June 2014, Gary Lee Rathbun and his partner Douglas Scott Miller participated in the sale of investments in six related limited liability companies (the LLCs) to clients of their registered investment adviser, Private Wealth Consultants, LTD. Although Mr. Rathbun and Mr. Miller disclosed their ownership and operation of Private Wealth Consultants, LTD to Triad, they failed to provide written notice of their participation in these sales of private securities investment to the broker-dealer. They also made investments, either directly or on behalf of family members in some of the same LLCs and were paid consulting fees for performing due diligence on the businesses that were part of the investments, without providing written disclosure to Triad. The lack of written notice violated NASD Rules 3030 and 3040 and FINRA Rules 3270 and 2010. Without admitting or denying the findings, Mr. Rathbun and Mr. Miller signed an Acceptance, Waiver & Consent which has been accepted by FINRA.

The Michigan Department of Licensing & Regulatory Affairs (LARA) has revoked Doug Miller's investment adviser representative license and levied a fine of \$20k. The LARA Administrator, however, disregarded aspects of the proposal by the Hearing Judge that charges of unethical conduct were not proven during the fact-finding process and reintroduced them as justification for revocation of his MI license. Due to the failure to either consider the findings of facts by the sole Michigan factfinder or the public interest of the Michigan public, the decision will be appealed and the Court will be asked to put the revocation and fine on hold. The basis of the LARA inquiry is the FINRA AWC that Doug Miller signed and disclosed in 2016.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

Douglas S Miller is also engaged in the following investment-related activities:

#### **Insurance company or agency**

Douglas S. Miller is licensed with various insurance companies. In this separate capacity, he can sell different products such as life insurance, annuities, disability, long term care and health insurance for which he will receive separate, yet customary compensation.

Douglas S. Miller and/or PWC as a limited liability company may be involved in outside business activities independent of previously mentioned services. These outside business activities could include providing due diligence and ongoing monitoring fees as compensation plus expenses for services provided. Additionally, PWC or its principals/representatives may own in whole or in part an entity that has no connection or affiliation with PWC.

Douglas S. Miller and/or PWC does continually monitor and provide due diligence for alternative private equity and/or secured debenture investments recommended to our clients and does receive an hourly or project fee plus expenses for this service.

In his capacity as a licensed insurance representative, he will receive separate, yet customary, commissions from individual insurance agencies.

While he endeavors at all times to put the interest of the clients first as part of his fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations.

The following steps are taken to address this conflict:

- disclose to clients the existence of all material conflicts of interest, including the potential to earn compensation from advisory clients in addition to advisory fees;
- disclose to clients that they are not obligated to purchase recommended investment products from him or affiliated companies;
- collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- require that he seek prior approval of any outside employment activity so that it is ensured that any conflicts of interests in such activities are properly addressed.

## **B. Non Investment-Related Activities**

Douglas S Miller is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

### **Item 5 Additional Compensation**

Douglas S Miller does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Gary L. Rathbun

**Title:** CEO

**Phone Number:** 419-842-0334

Gary L. Rathbun, CEO and Douglas S. Miller, President, have regular meetings to review client portfolios and investment recommendations. This is an ongoing process as client's circumstances change as well as changes in the market condition.